Rate of royalty for lignite in Gujarat

1506. SHRI ANANTRAY DEVSHANKER DAVE: Will the Minister of MINES be pleased to state:

(a) whether the Gujarat Government has represented to streamline the existing system of departmentally fixing the rates of royalty;

(b) whether it has proposed to set up any statutory body of experts for revision of royalty rates;

(c) whether any decision has been taken to review the royalty of lignite every three years;

(d) if not, the reasons therefor?

THE MINISTER OF YOUTH AFFAIRS, SPORTS AND MINES (SHRI SUKHDEV SINGH DHINDSA): (a) and (b) Yes Sir. Conventionally a Study Group is constituted in the Department/ Ministry concerned to review the rates of royalty on major minerals which comprises representatives of State Governments, the Industry, the technical institutions and other concerned Ministries/ Departments. The Study Group makes recommendations about the rates of royalty after holding broad-based consultations which are considered by the Government and final revision of the rates of royalty is notified in the gazette. There is no proposal to set up any statutory body of experts for revision of royalty rates.

(c) to (e) Ministry of Coal has informed that they had set up a Study Group on 16.3.95 to consider the revision of royalty rate of lignite. The Study Group in its recommendations made on 14.9.97 suggested that the rate of royalty on lignite should be linked with that of coal. Based on the recommendations of the Study Group, the Ministry of Coal is considering to enhance the rate of royalty on lignite to a reasonable level. No periodicity of revision of royalty rates on minerals including lignite has been laid down in law. The proviso to section 9(3) of the Mines and Minerals (Development & Regulation) Act, 1957 stipulates that no enhancement of royalty rate on minerals can be done more than once during any period of three years.

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